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0309-365

CHARLES H. COOK
OF COUNSEL

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September 28, 2005

Mr. Charles Terreni
Chief Clerk of the Commission
SC Public Service Commission
P. O. Drawer 11649
Columbia, SC 29211

RE: Development Service, Inc. Performance Bond and Letter of Credit in Favor of the Public Service Commission. Docket No. 2004-212-S

Dear Mr. Terreni:

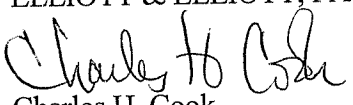
Enclosed for filing on behalf of Development Service, Inc. (DSI) please find the original and one (1) copy respectively of Performance Bond and Irrevocable Standby Letter of Credit Number N [REDACTED] both dated September 26, 2005, to replace the existing Performance Bond and Surety currently on file with the Commission.

This filing is being made pursuant to Order No. 2005-42 dated February 2, 2005 in the above-captioned docket and, as required therein provides for the amount of the bond to be provided on behalf of DSI for the benefit of the Commission, totaling One Hundred Thousand and no/100ths Dollars (\$100,000.00).

Please acknowledge receipt of these documents by date-stamping the extra copy of the filing enclosed and returning it to our courier. All parties of record are being served by copy with certificate of service attached.

Should you have questions please advise. Thank you.

Very truly yours,

ELLIOTT & ELLIOTT, PA

Charles H. Cook

CHC
Enclosures

RECEIVED
SEP 30 2005
PSC SC
MAIL / DMS

PERFORMANCE BOND
LETTER OF CREDIT

ORIGINAL
RECEIVED
2005 SEP 23 PM 3:04
SC PUBLIC SERVICE
COMMISSION

KNOW ALL MEN BY THESE PRESENTS, that **DEVELOPMENT SERVICES, INC.**, designated as "principal," is held and firmly bound unto the Public Service Commission of South Carolina, designated as "obligee," in the penal sum of One Hundred Thousand Dollars (\$100,000.00) for the payment of which well and truly to be made, the principal binds itself, its successors and assigns, firmly by these presents.

WHEREAS, in accordance with the provisions of S.C. Code Ann. 58-5-720 (1976 as amended), the principal has delivered to the Commission a Letter of Credit, with such statement as required by the Commission, of a federal or state chartered bank, or of a savings and loan association which maintains an office in the State and whose accounts are insured by either the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, and

WHEREAS, the obligee has granted the principal a certificate of public convenience and necessity and approved a schedule of rates for sewer service in areas shown on operating area maps filed with the obligee, and

WHEREAS, this bond and the Letter of Credit, when approved by the obligee, conditioned as in said 58-5-720, are to cover any and all liability, which may arise as a result of the principal failing to provide adequate and sufficient service within its service area as prescribed in 58-5-720, and

WHEREAS, the obligee, upon notice and hearing, shall have the right to declare all or any part of the bond and the Letter of Credit forfeited upon a determination by the obligee that the principal shall have willfully failed to provide such service as prescribed above, without just cause or excuse, and that such failure has continued for an unreasonable length of time, and

WHEREAS, the liability under the terms of this bond and the Letter of Credit are hereby extended so as to include any fines or penalties imposed or assessed by the obligee against the principal under the provisions of S.C. Code Ann. 58-5-710 (1976 as amended) and

WHEREAS, in the event that any judicial action or proceedings are initiated with respect to this bond or the Letter of Credit, the parties hereby agree that the venue thereof shall be Richland County, State of South Carolina, and

WHEREAS, this bond shall become effective on the date executed by the principal, and shall continue from year to year unless the obligations of the principal under this bond is expressly released by the obligee in writing, and

WHEREAS, the Letter of Credit shall be renewed immediately upon its expiration date, if any, and

WHEREAS, the obligee upon notice and opportunity to the principal to be heard, may order that the face amount of this bond to be changed within the limits set forth in S.C. Code Ann. 58-5-720 (1976).

NOW THEREFORE, in testimony whereof, said principal has hereunto subscribed his name this 26th day of September 2005.

IN THE PRESENCE OF:

Jean H. Patterson

DEVELOPMENT SERVICES, INC.

Keith G. Parnell

BY: KEITH G. PARNELL

TITLE: PRESIDENT

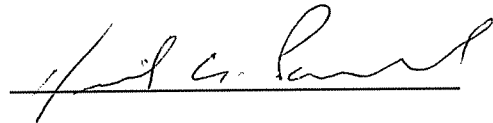
(corporate seal)

ACKNOWLEDGEMENT OF PRINCIPAL

STATE OF SOUTH CAROLINA

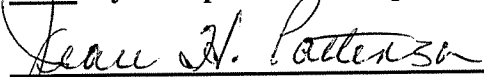
COUNTY OF RICHLAND

On September 26, 2005, Keith G. Parnell came before me personally, to me known, and who being by me duly sworn, did depose and state; that he is the President of Development Services, Inc. the Corporation which executed the foregoing instrument; that he knows the seal of said Corporation, that the seal affixed to the said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said Corporation, and that he signed his name to said instrument by like order.



SWORN to before me this

26th day of September 2005.

 (L. S.)
Notary Public for South Carolina

My Commission Expires: 9-16-2012

(Affix seal if not South Carolina Notary Public)

ADDRESS: 309 COLUMBIA AVE LEXINGTON, SC 29072-2664

PHONE NUMBER: 803-359-1705

CONTACT NAME: ERIC JEWELL

ACCOUNT# / NOTE#

Issued in Favor of Development Service Inc

Beneficiary State of South Carolina
 The Public Service Commission
 101 Executive Center Dr
 Synergy Business Park
 Columbia SC 29210

We hereby issue in your favor our irrevocable standby letter of credit for the benefit of Development Service Inc for one hundred thousand dollars (\$100,000.00) available for your sight draft on Branch Banking and Trust of South Carolina. This Letter of Credit is in support of the Performance Bond between Development Service Inc and the South Carolina Public Service Commission dated September 26, 2005.

All drafts so drawn must bear the clause "Drawn under Branch Banking and Trust of South Carolina letter of credit number [REDACTED] dated September 26, 2005" which must be accompanied by an official statement from the beneficiary stating that Development Service Inc is in non-compliance with Section 58-5-720 of the South Carolina Code of Laws. In addition, it must state the violations and certify that Development Service Inc was served with proper notice and just cause.

We hereby engage with you that drafts drawn and presented in compliance with the terms of this letter of credit will be duly honored by Branch Banking and Trust of South Carolina if presented to a bank officer at our location on 309 Columbia Ave, Lexington SC 29072 on or before September 26, 2006.

This letter of credit is effective as of September 26, 2005 and shall expire in one year on September 26, 2006.

CERTIFICATE OF SERVICE

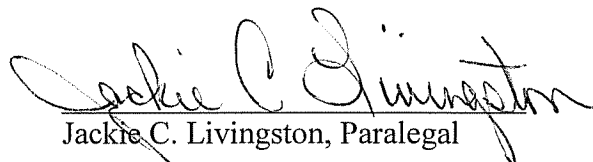
The undersigned employee of Elliott & Elliott, P.A. does hereby certify that (s)he has served below listed parties with a copy of the Petition for Rehearing and/or Reconsideration on behalf of Development Service, Inc., indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of Development Service, Inc., for approval of new schedule of rates and charges for sewage service provided to residential and commercial customers in all areas served.

Docket No. 2004-212-S

PARTIES SERVED: Florence P. Belser, Esquire
General Counsel
1441 Main Street
Suite 300
Columbia, SC 29201

Shannon Bowyer Hudson, Esquire
Florence P. Belser, Esquire
Office of Regulatory Staff
P. O. Box 11263
Columbia, SC 29211



Jackie C. Livingston, Paralegal

September 28, 2005